

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6362

BILL NUMBER: SB 121

NOTE PREPARED: Nov 27, 2007

BILL AMENDED:

SUBJECT: Donations by Local Units to Community Foundations.

FIRST AUTHOR: Sen. Riegsecker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill allows a unit of local government to donate money in the unit's local Major Moves construction fund to a charitable nonprofit community foundation. (Current law allows the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to be donated.)

It allows a donation by a unit to be held by a charitable nonprofit community foundation as either a permanent endowed designated fund or as a nonendowed designated fund. The bill requires a unit to specify whether a donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund.

The bill also provides that if a unit specifies a donation shall be held as a nonendowed designated fund, the unit has access to the donation and income at any time.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill expands the number of alternatives for which money in a local unit's Major Moves construction fund may be spent. Ultimately, the impact of this bill will depend on the

actions of local units deciding to donate money to a charitable nonprofit community foundation.

Money paid into local units' Major Moves construction funds from the state's Major Moves Construction Fund includes:

- (1) Before October 15, 2006, \$75 M distributed among the units that are eligible to receive money from the Motor Vehicle Highway Fund;
- (2) Before September 15, 2006, \$40 M each for Steuben, LaGrange, LaPorte, Elkhart, and St. Joseph Counties; \$25 M for Porter County; and \$15 M for Lake County. (LaPorte's distribution could be reduced if it joins the Northwest Indiana Regional Development Authority.)

State Agencies Affected:

Local Agencies Affected: Counties, cities, and towns.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.